

VZCZCXYZ0000
OO RUEHWEB

DE RUEHUNV #0425/01 2571457
ZNR UUUUU ZZH
O 141457Z SEP 09
FM USMISSION UNVIE VIENNA
TO RUEHC/SECSTATE WASHDC IMMEDIATE 0040
INFO RUEHRO/AMEMBASSY ROME PRIORITY 0586
RUEHBW/AMEMBASSY BELGRADE PRIORITY
RUEHII/VIENNA IAEA POSTS COLLECTIVE PRIORITY

UNCLAS UNVIE VIENNA 000425

SENSITIVE
SIPDIS

STATE FOR IO/T, ISN/MNSA, ISN/RA
NRC FOR OIP - DOANE
DOE FOR NA-243-GOOREVICH/OEHLBERT, BRUNNS,
NA-241 O'CONNOR, SIEMON; NA-21- CUMMINS, ILIOPULOS;
NE- MCGINNIS, PERKO, CLAPPER

E.O. 12958: N/A
TAGS: [AORC](#) [KNNP](#) [IAEA](#) [ENRG](#) [TRGY](#)
SUBJECT: IAEA/BOG: September Board Wrap-Up

Ref: a) UNVIE 397 b) STATE 92659 c) UNVIE 424

Summary

11. (SBU) USDEL to the September 7-10 Board of Governors met our core objectives with respect to spotlighting Iran and Syria's failure to comply with NPT safeguards. Despite an alarmist note struck by international media about Iran's breakout capability, Board delegations welcomed a moderated U.S. approach signaling readiness for engagement. Board debate on Iran and Syria will be reported septels. The Board also registered strong concerns about the DPRK's provocative actions since the expulsion of IAEA inspectors in April (septel), even as the Director General had nothing to report. U.S. and like-minded efforts to highlight nuclear security as a core IAEA function met with skepticism on the part of the G-77 led by Argentina, as well as by Switzerland, in contrast to a high-minded South African statement and those of G-77 moderates. The divisions exposed in the nuclear security debate were disappointing and in urgent need of redress, both in Vienna and capitals. The "Any Other Business" discussion of fuel assurances did not substantively advance the issue, as the G-77 reiterated concerns raised in the June Board, but did reaffirm the wide range of Board members and other states interested in moving ahead. The UK presented its enrichment bond proposal while Russia announced its intention to submit the Angarsk fuel reserve proposal for Board approval at an upcoming session.

12. (SBU) Leading into the General Conference, the DG report on Middle East Safeguards elicited criticism from NAM/Arab Board members of Israel as the NPT outlier in the region and calls for a NWFZ not contingent on the peace process. The Africa Group joined the NAM in expressing this view and the NAM statement, delivered by Egypt, also urged consideration of the Israeli Nuclear Capabilities item in the GC. The U.S. and Israel underlined the issue of compliance and called for renewed consensus on Middle East issues so as to not repeat the outcome of last year's General Conference. Iran then levied invective against the "illegal Zionist regime" and called for protection against armed attacks, prompting the Board Chair to ask that everyone comport themselves as diplomats. On a loftier note, the Board paid a long tribute to outgoing Director General ElBaradei who was visibly moved by the adulation. Other Board items covered below also include nuclear safety, nuclear applications, safeguards agreements and personnel matters. End Summary.

Agenda Item 1: DG's Introductory Statement

13. (SBU) In addition to his assessment of verification issues in Iran, Syria and DPRK (septels), the Director General commented on nuclear applications and nuclear security, among other agenda items, as well as fuel assurances. He sounded a cautionary note on funding for the Safeguards Analytical Lab (SAL) and the IAEA budget.

Despite extra-budgetary funding for SAL and Austria's commitment to provide land, the DG reported a considerable funding shortfall to address safety and security of the nuclear materials lab. The overall IAEA budget was insufficient and would draw (as yet unspecified) "consequences" as to the quality of services offered to Member States, he warned. The Director General fully embraced multilateralization of the fuel cycle and noted that the time has come for concrete steps, particularly in light of momentum toward disarmament. Regarding nuclear applications, the DG reported progress on PACT and IAEA-WHO cooperation and cited efforts to redress the shortage of medical isotope molybdenum-99. He noted increased IAEA projections for nuclear power, fed by developing world demand; a three-fold increase in TC projects on the introduction of nuclear power, and the launch of the IAEA's Integrated Nuclear Infrastructure Review (INIR) service. The DG also highlighted IAEA assistance on decommissioning and waste management and announced that funding had been secured for removal of spent fuel from the Vinca reactor in Serbia. Turning to nuclear security, the DG cited the low rate of recovery of material reported stolen or lost in the Illicit Trafficking Database (ITDB). He encouraged all Member States to participate in the ITDB program and to do their utmost to ensure safety and security of nuclear materials. On safeguards, he noted that 26 non-nuclear NPT parties have yet to include comprehensive safeguards agreements and more than 100 States have yet to bring the Additional Protocol into force. The DG also reported no progress in his efforts toward a NWFZ in the Middle East or agreement on an agenda for a regional Forum.

Agenda Item 2: Applications for Membership

14. (U) The Board recommended the membership applications from Cambodia and Rwanda to the General Conference for approval. The NAM welcomed the fellow NAM members to the IAEA and Australia and South Africa also spoke in support. South Africa highlighted the development role of the IAEA.

Agenda Item 3: Nuclear Safety

15. (U) This item focused on the Measures to strengthen international cooperation in nuclear, radiation and transport safety and waste management, GOV/2009//48-GC(53)/2, which was prepared pursuant to resolution GC(52)/RES/9 and provides updates on Agency activities in nuclear, radiation, transport and waste safety. Argentina delivered an extensive G-77 statement, which highlighted many of the activities that IAEA performs in safety and for developing countries. The Group emphasized, as did national statements from the G-77, the need for the IAEA to do even more. The G-77 praised several new initiatives, such as the Seismic Safety Center, the mobile hot cell, and the new uranium mining review missions. The Group also complimented the Agency's human capacity building efforts but complained that there were not enough training opportunities, in enough countries, and that much more needed to be done.

16. (U) Statements from developed countries also praised the IAEA's work on nuclear safety, but emphasized, much more than in the past, the need for all Member States to sign up and adhere to safety conventions. Several statements countered the traditional G-77 view that the Code of Conduct on the Safety and Security of Radioactive Sources is non-binding. Canada and Safety and Security DDG Taniguchi, in his concluding statement, emphasized that the issue was not the "legally binding" nature of the conventions or codes. Taniguchi underlined that safety should be a priority and any code or convention that a Member State signs up to should be implemented; what was important were the actual safety activities undertaken.

17. (U) The biggest surprise under the safety agenda item was the insistence by Malaysia and Egypt on reference to military

activities. Both countries stated in the context of emergency response that any accident or incident in territorial waters that results from military activities should be addressed by the IAEA, and that no one should be exempt from meeting international requirements. This mirrors language that they have proposed for this year's General Conference safety resolution.

Agenda Item 4: Nuclear Security

18. (U) DDG Taniguchi introduced the agenda item on Nuclear Security: Measures to Protect Against Nuclear Terrorism. He reviewed three documents: the Nuclear Security Report 2009 (GOV/2009/53), the Nuclear Security Plan 2010-2013 (GOV/2009/54) and a third, much longer internet publication, entitled, "Implementation of the IAEA Nuclear Security Plan 2006-2009: Progress Report." Taniguchi explained his attempts to present Member States with a solid future strategy and emphasized that there was "still a long way to go before our goals are met." Perhaps in an attempt to preempt G-77 objections to Office of Nuclear Security (ONS) activities, Taniguchi asserted that nuclear security was clearly the responsibility of the State, but that "international cooperation is also key."

19. (SBU) Predictably, the G-77 statement, read by Argentina, opened by commenting that the responsibility for Nuclear Security rests with the State. Less predictably (and more damagingly) the statement went on to needle ONS on a number of highly-politicized topics:

- Nuclear Security is not a statutory function of the Agency.
- The criteria for reporting incidents to the IAEA's Illicit Trafficking Database (ITDB) are wide and don't reflect the actual significance of each incident.
- The Secretariat should prove - with empirical evidence - that the risks of using radiological material in a terrorist attack are, in fact, "high."
- IAEA resources should not be used in ventures that are of interest to "only a few."
- The Code of Conduct on the Safety and Security of Sealed Sources is not legally binding, and should not be used to deny the peaceful use of nuclear material.
- The cost of ONS has markedly increased, and should not be carried out at the expense of promotional activities (so maintain the level of contributions to the Technical Cooperation Fund).

(Comment: The bulk of the G-77 may have been widely critical of ONS, but it did not, as one Secretariat member pointed out, question the importance of the activity itself. ONS staff were similarly relieved that the statement was not even harsher. Following the statement, a member of the G-77 approached to Msnoff to comment (with some self-congratulation) that "it wasn't so bad, was it?" Despite these positive reactions, it is clear that Nuclear Security has fallen out of favor with the G-77 as a group and has become -- like safeguards - increasingly politicized. End Comment.)

110. (U) The U.S. statement thoroughly covered our priorities, including physical protection, security culture, border controls and waste repatriation. The statement also noted that despite the achievement of including greater resources for ONS in the regular budget, these resources would not take the place of voluntary contributions. Finally, the U.S. statement described the importance the Administration places on combating nuclear terrorism and previewed the upcoming Nuclear Security Summit in Washington. Other Western and EU countries followed suit, highlighting the importance of adhering to the Amendment to the Convention on the Physical Protection of Nuclear Material (CPPNM), its 2005 Amendment, and urging States to participate in the IAEA's Illicit Trafficking Database (ITDB). Many Board members urged Member States to contribute to the Nuclear Security Fund, while New Zealand, Canada, Australia and Germany announced (or re-announced) their own contributions.

¶11. (SBU) In an unexpected twist, Switzerland emphasized that Nuclear Security was not a core activity of the IAEA. While this sentiment has become a mantra of the G-77, a "like-minded" country had not previously expressed this view. A Swiss diplomat avoided explaining Switzerland's position. In another unexpected twist, Argentina intervened strongly in its national capacity to take exception to many aspects of the Agency's Nuclear Security activities. Ambassador Curia questioned the concept of a "nuclear security regime" that is separate from the realm of safety activities. He questioned the evidence of a "consistent pattern of trafficking," and wondered whether there really was a need for regional support centers. Curia also warned that instruments can easily become mandatory, and from there - binding. He "hoped" that the Nuclear Security Plan would be revised (but luckily did not make an explicit request to that end). Curia rehashed these points in a second intervention at the end of the session, but was defused by Board Chair Feroukhi, who asked Curia "not to repeat himself," as his views would be reflected in her oral summary.

¶12. (U) The most positive interventions of the session came from Germany and South Africa. German Ambassador Luedeking revisited the numerous assertions that "Nuclear Security is primarily the responsibility of the State," describing this repetitive claim as unhelpful, and irrelevant to the role of the IAEA and international cooperation. He also countered the quibbling over binding or non-binding instruments, stressing that the important thing about these instruments is that they raise the standard of Nuclear Security and "you should endeavor to meet them." South African Ambassador Abdul Minty, for his part, also issued a high-minded statement that described terrorism as a continuing threat and the instruments of cooperation as important. He commended the Agency for its excellent work on Nuclear Security. Ghana, Mexico and Romania also issued helpful statements that described the ways in which ONS had assisted their countries in removing spent fuel, training their personnel and protecting the populace.

¶13. (SBU) Comment: Mission is disappointed that the G-77 spoke so strongly against Nuclear Security, continuing to deny its status as a "statutory activity" and downplaying the threat of nuclear terrorism as something that must be proved with empirical evidence. Argentina's intervention was particularly unhelpful, and possibly deserves attention in Buenos Aires or Washington (especially in light of Argentina's possible participation in the Washington Nuclear Security Summit). A Secretariat member also indicated that the Argentine Ambassador, like his predecessor, had a personal axe to grind on this issue with DDG Taniguchi. More than anything, the debate in the Board demonstrates that the issue of Nuclear Security is becoming increasingly polarized between the G-77 and Western states. In the future, Nuclear Security could follow the path of Safeguards issues, becoming the basis for philosophical divisions upon which common ground becomes increasingly elusive. The Washington Summit therefore provides an important opportunity to re-establish consensus on this important topic. End Comment.

Agenda Item 5: Nuclear Applications

¶14. (U) The Board took note of the DG report on nuclear science, technology and applications GOV/2009/49 prepared pursuant to relevant GC resolutions. More than 20 Member States commended the Agency's nuclear applications programs and encouraged the Secretariat to intensify its efforts in both nuclear power and non-power applications. Several Member States noted the substantial increase in the requests for assistance in national energy studies exploring nuclear power as an option for their energy mix and encouraged the Agency's activities in this regard, including the range of technical publications being developed to help interested states in their understanding of necessary infrastructure. Many Member States emphasized the importance the Program of Action for Cancer Therapy (PACT) and its efforts in developing an Agency-wide strategy for its implementation. They appreciated the contributions and pledges made by Member States and other organizations to PACT and called on more Member States to provide support. Several members welcomed the entry into force of the WHO-IAEA Joint Program on cancer control and looked forward to maximizing the benefits of the Joint Program. Several members, including Australia, France,

and South Africa, among others, addressed the issue of the shortages of molybdenum-99 (Mo-99) and the efforts to remedy the problem. Other Member States touted the importance of innovative small and medium sized reactors; nuclear desalination; INPRO; the use of isotope hydrology; water resources management; and the expansion of the use of Sterile Insect Technique (SIT).

¶15. (U) Argentina speaking on behalf of the G-77 and China welcomed the Agency's work on many of these non-power applications and called for greater cooperation between the TC and Nuclear Applications departments. The G-77 highlighted PACT, in particular, and advised that it would table a resolution on PACT in the General Conference. It sought recognition of PACT as a "core Agency function" and asked Member States to assure funding. Many national statements, including the U.S., China, Japan and The Philippines signaled strong support for PACT. The African Group (Ghana) also highlighted PACT, in addition to tse fly eradication and IAEA cooperation with FAO and WHO. Ghana, in a national capacity, raised impediments faced by LDCs in securing equipment and materials. Burkina Faso and Algeria focused on tse-tse fly and malaria projects. Mexico advised that it had made major advances in SIT. Notably, a very moderate Cuban statement cited its priorities (PACT and isotope hydrology) but refrained from its customary criticism of the U.S. embargo. GRULAC (Brazil) cited PACT projects in Latin America and urged the Agency to bolster nontraditional partnerships on the PACT model. It noted cooperation with the Pan-American Health Organization. Canada also applauded PACT partnership with WHO. Russia expressed interest in expanding cooperation with the IAEA-FAO joint program.

¶16. (U) The G-77 further encouraged the Agency to expand its role in promoting nuclear energy in developing countries. They underscored the importance of INPRO and supported the Agency's work in uranium exploration, mining, and waste management. Russia highlighted the participation of 30 Member States and the European Commission in INPRO and was committed to ensure funding for INPRO. GRULAC appreciated Agency support for nuclear power and highlighted the IAEA's work in technical cooperation that extended throughout the nuclear fuel cycle. GRULAC regretted the lack of voluntary funding for small and medium-size reactor (SMR) projects. Russia, India and the ROK also noted the importance of SMR projects. Canada cited the Agency's three-fold increase in nuclear power-related TC projects. China noted the success of the Beijing Ministerial on nuclear energy and said it was speeding up its nuclear energy development, having approved construction of 25 nuclear power plants. France previewed its GC resolution on nuclear power and a planned international conference on development of nuclear power programs. Japan highlighted the 3 "S's" (safety, security and safeguards) and infrastructure development. The Philippines supported Agency efforts in infrastructure development and Malaysia said it was considering nuclear power. Sounding a cautionary note, Switzerland voiced concerns by safety experts about nuclear power programs in newcomer states and Australia also cited the 3 "S's" in this context.

¶17. (U) At the conclusion of the item, Nuclear Applications DDG Burkart acknowledged high-demand for PACT assistance could not always be met. He also noted Member States' requests for access to laser spectrometry for managing water resources. Nuclear Energy DDG Sokolov noted support for nuclear infrastructure development and uranium exploration/mining. He also clarified that the IAEA was not proposing legally-mandated steps to developing nuclear power programs, but guidelines based on the lessons learned from other states.

Agenda Item 6a: Safeguards Agreements and APs

¶18. (U) The Board approved comprehensive safeguards agreements (CSA) and Additional Protocols (AP) submitted by Vanuatu, Congo, and Kenya. The NAM (Egypt) and EU (Sweden) welcomed the agreements. The U.S. and Australia supported CSAs together with an AP as the verification standard and New Zealand called on other states that not yet done so to bring these agreements into force. South Africa noted the necessity of a strengthened safeguards system in building confidence and facilitating the transfer of nuclear technology. South Africa also called for non-nuclear weapons states to fulfill nonproliferation obligations under Article II of the NPT.

Agenda Item 6b: Agency Staff as Inspectors

¶19. (U) The Board approved the designation of the Agency staff listed in GOV/2009/59 as inspectors. The individuals will be automatically designated 60 days after the Board session, absent any objections.

Agenda Item 7a: Middle East Safeguards

¶20. (SBU) Surprisingly, the Africa Group (Angola) launched the first salvo against Israel, largely quoting from the July 2008 NAM Summit in Sharm el Sheik on the serious threat posed by Israel's nuclear arsenal. The Africa Group notably disputed Israel's contention that a NWFZ be contingent on the peace process and called for urgent practical steps toward a NWFZ in the region. (Comment: This indicates that the Arabs have done their homework with African states leading into this year's GC. End note.) The NAM (Egypt) followed suit with a full recitation of the Summit language including urgent consideration of the Israeli Nuclear Capabilities item at the IAEA General Conference. The NAM statement also cited access by Israeli scientists to the nuclear facilities of one weapons state. The NAM regretted that the Director General was unable to make progress on a Middle East NWFZ due to Israel's stance on the peace process, and insisted that the agenda for a Middle East Forum reflect the international consensus in support of a NWFZ.

¶21. (SBU) Egypt's national statement went further in citing the persistent double standard as undermining the NPT and the convoluted logic of putting the peace process ahead of disarmament. Egypt fully supported the DG's efforts to convene a Middle East Forum and blamed Israel for hampering the Forum and rendering it meaningless. Saudi Arabia, Algeria, Cuba and non-Board member Libya rounded out the blame Israel chorus. Cuba also specifically called for the U.S. to stop transferring equipment and material to Israel. By far the most acerbic statement came from Iran, calling for protection from armed attacks and condemning the "illegal Zionist regime," a non-NPT party that dared to criticize others. Iran also called for an IAEA fact-finding mission to Israel, eliciting barely suppressed chuckles from the Secretariat staff.

¶22. (U) Russia, South Africa and Germany made moderate interventions in support of a Middle East NWFZ and/or the Forum. Russia called for universalization of the NPT and noted that all Middle East countries with "one exception" were subject to IAEA safeguards. Germany regretted persistent differences with Israel in the region and called for confidence building, including a Forum. Germany noted that Israel and Egypt's responses to the Forum agenda indicated possible areas of agreement. The U.S. statement focused on finding renewed consensus on this issue including in the General Conference.

¶23. (U) Taking the high road, Israel noted that the outcome of last year's GC did not benefit the IAEA or Member States and called for renewed consensus and compromise so as to avoid another repeat of these "drastic events." Israel was willing to engage immediately, the alternative being continued bickering leading to the derailment of the General Conference. Like the U.S. statement, Israel took note that the DG's report did not include "compliance" in accordance with last year's GC resolution. Israel noted that of the five states that had been in breach of their safeguards obligations, only one was located outside of the Middle East; thus compliance was essential to a free zone.

¶24. (U) After Iran had the inflammatory last word on this item, the Board Chair implored everyone to comport themselves as diplomats and talk things out. She somehow managed to sum up the debate in a reasonable fashion.

Agenda Item 7b: Personnel Matters

¶25. (U) On the issues of staffing and women in the Secretariat, the

United States urged the IAEA to continue its efforts towards appointing well-qualified women into the professional and senior staff level. The U.S. complimented the IAEA's efforts to date toward making progress in gender balance and encouraged the IAEA to further raise awareness of the issue. Argentina (on behalf of the G77 and China), Brazil (on behalf of GRULAC, Denmark (on behalf of the Nordic countries) and South Africa also intervened on personnel issues. All echoed the U.S. position on promoting women in the Secretariat. Argentina, Brazil and South Africa and called for greater efforts toward appointing staff from developing countries. Argentina noted that several Latin American and Caribbean countries had seen a drop in representation over the past two years, and encouraged the provision of fellowships, scholarships and training programs to increase developing country representation. South Africa noted that some "highly advanced" Member States occupy the majority of staff positions at the IAEA.

Agenda Item 8: Tribute to Director General

¶27. (U) The Board submitted a draft "Tribute to the Director General" resolution to the General Conference, granting DG ElBaradei the title of Director General Emeritus. The G-77 and China, the NAM, African, North American, Latin American, and South East Asian and Pacific, and a large number of Member States spoke in tribute to the outstanding work of the Director General over his twelve-year tenure, including the awarding of the Nobel Peace Prize.

¶28. (U) Developing world statements emphasized the DG's role in championing the work of the Agency in the promotion of nuclear energy for peaceful purposes. Many of these states enumerated the projects from which they directly benefited under his leadership and lauded IAEA efforts on treatment of disease, including through PACT.

Some reiterated the DG's views on combating poverty and contributing to sustainable development via TC being as important as nonproliferation. Many Member States noted the DG's strong commitment to fairness, impartiality and justice. These states noted the DG set a high bar for leadership of international organizations, and emphasized that he would leave behind an indelible mark in the history of the IAEA. Other states noted the challenges that the DG faced in seeking to prepare the Agency for the future by initiating the 2020 effort. Still others praised the DG for setting up the nuclear security fund, for working to strengthen safeguards, prepare against the threat of nuclear terrorism, and to address safeguards verification. Some states emphasized the DG's efforts in tackling difficult issues including on international nuclear fuel banks, inspections beyond those required by safeguards agreements, and verification of military stocks of nuclear material. Other Member States highlighted the linkage advocated by the DG between nuclear nonproliferation and disarmament, furthering the goal of a world without nuclear weapons.

¶29. (U) Iran stated that it trusted the DG as an international civil servant. Under his tenure, Iran noted that the Director General faced undue challenges and pressures by the international community.

Iran said the DG had a talent for making everyone either equally satisfied or equally dissatisfied. This characteristic was a tribute to his impartiality.

¶30. (U) Director General ElBaradei delivered a lofty statement about peace, dignity, human freedom and common values. He cautioned that the international community could rise to new heights, or could stoop to new lows. None of the world's problems could be solved alone, and this truism held for the IAEA as well. He noted that the Agency faced many challenges and called for dialogue to resolve them. The IAEA had metamorphosized into a major international player during his tenure, the DG observed. He said he had been "accountable to all of you, but not to any one of you" and elaborated that impartiality did not mean neutrality, but sticking to what was in the Statute. It was important to look at the big picture, e.g., the linkage between poverty and violence, and between nonproliferation and disarmament, he advised referencing President Obama's statements on these subjects. The Director General paid tribute in turn to his staff and added that it would be "nice if member states could act as one." He closed by saying that the Agency was left in the good hands of his successor, Ambassador Yukio

Amano, who would provide competence, courage, and vision to the Agency.

AOB: Assured Supply of Nuclear Fuel

¶31. (U) Unlike the June Board, debate on fuel assurances was uneventful and did little to push the ball forward or, fortunately, pull back from positions taken at the June Board. Debate was led off by the UK, which described its proposal for a Nuclear Fuel Assurance. The proposal had been circulated the week before the Board as GOV/INF/2009/7 and was the subject of a briefing by UK experts on Tuesday, September 8. The essence of the proposal is a trilateral agreement among a supplying State, a recipient State and the IAEA that supply, based on an existing or about to be concluded contract, would not be interrupted for non-commercial reasons as long as the commitments made by all parties as set out in the agreement continue to be met. The assurance could also be available as a "stand-by assurance" where a supplier was a contractual standby supplier for a supplier in another State. A model agreement would be approved by the Board. The agreement would set out conditions for the supply to take place, and the commitments provided by both the supplier and the recipient. The UK reported that a draft model agreement was being finalized. One advantage noted by the UK is that this assurance could apply to any form of supply - uranium, enrichment or fabrication services. The UK indicated that it was open to bilateral discussions.

¶32. (U) The G-77 statement (delivered by Argentina) was short. The Group recalled the G-77/ NAM Joint Statement at the June Board and indicated that the issues and concerns raised remain fully relevant. The Group saw no development toward convergence of views on these issues and concerns. The NAM statement (delivered by Egypt) simply associated itself with the G-77 statement. (Comment: During the course of the meeting, there was a fear that the G-77 might revert to its earlier formulation of "it is premature to consider the issue" vice the more constructive view that it was "premature to take a decision on the issue." The statement as delivered appears to invite further consideration. End comment.)

¶33. (U) A short EU statement (delivered by Sweden) took note of the proposals put forth by EU Member States. The EU noted the differences in view presented in June and stated its belief that it was possible to find answers to the questions and doubts expressed and invited all parties to engage in consultations and discussions. Japan expressed the view that while some were hesitant to conduct open discussions on the issue, it was useful to discuss it in an open and transparent manner. Japan also recalled its own previous proposal, which it believes would enhance the transparency and predictability of the front-end market. Russia reported that it continued to work on the proposal it made in June and that it hoped to include all details and submit it to the Board in one of its upcoming session. (Comment: The Russian statement did not/not mention the November Board specifically. End Comment .) Germany took note of its own proposal and invited further discussion with those interested in the proposal. Responding to the private U.S. approaches urging intervention, Albania, Norway and the UAE all expressed support for fuel assurances and looked forward to further discussions to resolve concerns. India, on the other hand, reiterated its position that before discussing specific proposals States should reach consensus on norms for such proposals: that they would operate under predetermined, non-discriminatory conditions, that they would be available to all States, and that no State would be required to give up rights. India's view was that the only condition should be that a State is in compliance with its safeguards obligations. India again stood out as the most persistent critic of fuel assurances (ref c).

¶34. (U) In other AOB statements, Serbia described progress on its Vinca decommissioning project, expressing appreciation to all involved parties, specifically the IAEA, the United States, the Russian Federation, the Czech Republic and the Nuclear Threat Initiative. South African Ambassador and former DG candidate Minty offered a salute to the Board Chair and a tribute to her handling of the difficult issue of selection of a new Director. The Board Chair announced that the Ambassador of Finland had agreed to chair the U.S.-suggested Budget and Finance Working Group and that India

and Germany were still consulting on the position of External Auditor.

DAVIES